

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.7.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.7.2008 RM'000	CURRENT YEAR TO DATE 31.7.2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.7.2008 RM'000
Revenue	42,777	46,817	79,143	92,551
Cost of sales	(31,934)	(33,096)	(59,104)	(66,493)
Gross profit	10,843	13,721	20,039	26,058
Other income	1,633	973	2,767	2,272
Administrative expenses	(3,180)	(3,104)	(6,198)	(5,859)
Finance cost	(1,085)	(310)	(1,764)	(527)
Profit before tax	8,211	11,280	14,844	21,944
Income tax expenses	(2,074)	(2,780)	(3,840)	(5,546)
Profit for the period	6,137	8,500	11,004	16,398
Attributable to:				
Equity holders of the parent	5,731	7,295	10,264	14,593
Minority interests	406	1,205	740	1,805
	6,137	8,500	11,004	16,398
Earnings per share attributable to equity holders of parent:				
Basic, for profit for the period (sen)	3.71	4.71	6.65	9.43
Diluted, for profit for the period (sen)	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2009

	AS AT 31.7.2009 RM'000	AS AT 31.1.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,329	58,211
Investments	495	802
Land held for property development	333,690	311,476
Deferred tax assets	5,671	5,846
	<u>398,185</u>	<u>376,335</u>
Current assets		
Property development costs	43,819	49,957
Inventories	65,100	66,594
Receivables	62,303	55,930
Cash and cash equivalents	30,928	52,012
	<u>202,150</u>	<u>224,493</u>
TOTAL ASSETS	<u>600,335</u>	<u>600,828</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	155,071	155,071
Share premium	14,890	14,890
Treasury shares	(662)	(584)
Other reserves	15,185	15,120
ICULS - equity component	20,817	20,817
Retained profits	192,427	187,180
	<u>397,728</u>	<u>392,494</u>
Minority interests	8,986	8,246
Total equity	<u>406,714</u>	<u>400,740</u>
Non-current liabilities		
Long term borrowings	86,105	94,676
ICULS - liability component	39,964	38,691
Deferred tax liabilities	2,355	2,355
Other payable	9,000	9,000
	<u>137,424</u>	<u>144,722</u>
Current liabilities		
Payables	31,272	37,694
Short term borrowings	16,001	16,549
Provision for tax	3,907	1,123
Dividend payable	5,017	-
	<u>56,197</u>	<u>55,366</u>
Total liabilities	<u>193,621</u>	<u>200,088</u>
TOTAL EQUITY AND LIABILITIES	<u>600,335</u>	<u>600,828</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.56</u>	<u>2.53</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2009**

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity	
	← Non-distributable →			Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Equity Component of ICULS RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000
6 months ended 31 July 2008									
Balance as at 1 February 2008	155,068	15,517	-	15,003	-	165,144	350,732	5,578	356,310
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	-	14,593	14,593	1,805	16,398
Dividends	-	-	-	-	-	(4,643)	(4,643)	-	(4,643)
Issue of shares pursuant to exercise of ESOS	3	-	-	-	-	-	3	-	3
Purchase of treasury shares	-	-	(321)	-	-	-	(321)	-	(321)
Share-based payment expenses under ESOS	-	-	-	114	-	-	114	-	114
Balance as at 31 July 2008	155,071	15,517	(321)	15,117	-	175,094	360,478	7,383	367,861
6 months ended 31 July 2009									
Balance as at 1 February 2009	155,071	14,890	(584)	15,120	20,817	187,180	392,494	8,246	400,740
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	-	10,264	10,264	740	11,004
Dividends	-	-	-	-	-	(5,017)	(5,017)	-	(5,017)
Purchase of treasury shares	-	-	(78)	-	-	-	(78)	-	(78)
Share-based payment expenses under ESOS	-	-	-	65	-	-	65	-	65
Balance as at 31 July 2009	155,071	14,890	(662)	15,185	20,817	192,427	397,728	8,986	406,714

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2009**

	6 MONTHS ENDED	
	31.7.2009 RM' 000	31.7.2008 RM' 000
Net cash used in operating activities	(11,246)	(8,182)
Net cash used in investing activities	(639)	(2,127)
Net cash (used in) / from financing activities	<u>(9,348)</u>	<u>10,205</u>
Net decrease in cash and cash equivalents	(21,233)	(104)
Cash and cash equivalents at the beginning of the financial period	51,803	4,202
Cash and cash equivalents at the end of the financial period	<u>30,570</u>	<u>4,098</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	26,210	204
Cash and bank balances	4,718	5,892
Bank overdraft	<u>(148)</u>	<u>(1,794)</u>
	30,780	4,302
Fixed deposit pledged	<u>(210)</u>	<u>(204)</u>
As above	<u>30,570</u>	<u>4,098</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial statements which are unaudited, have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2009.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of the annual financial statements for the year ended 31 January 2009.

A2 Audit qualification

The auditor's report of the preceding annual financial statements of the Group did not contain any qualification.

A3 Seasonal or cyclical factors

There were no significant seasonal factors affecting the operations of the Group. However, the economic cyclical factors will have an impact on property/construction sectors.

A4 Unusual items

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A5 Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the six months ended 31 July 2009 except for the Company had repurchased a total of 93,000 ordinary shares of RM 1 each of its issued share capital from the open market for a total consideration of RM78,116 at an average price of RM0.84 per share. The shares repurchased are being held as treasury shares.

A7 Dividends paid

There was no dividend paid during the six months ended 31 July 2009.

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A8 Segmental information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	6 months ended		6 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	55,890	66,116	13,320	17,051
Manufacturing and trading	24,349	30,535	583	3,530
Management services and others	5,647	5,773	3,518	2,975
	<u>85,886</u>	<u>102,424</u>	<u>17,421</u>	<u>23,556</u>
Inter-segment elimination	<u>(6,743)</u>	<u>(9,873)</u>	<u>(54)</u>	<u>(130)</u>
	<u>79,143</u>	<u>92,551</u>	<u>17,367</u>	<u>23,426</u>
Unallocated income			146	21
Unallocated expenses			(905)	(976)
Finance cost			<u>(1,764)</u>	<u>(527)</u>
			<u>14,844</u>	<u>21,944</u>

The industrial properties development, residential/commercial properties development and construction activities have been combined as one segment namely property development and construction for better presentation as they are integrated operations.

A9 Valuation of property, plant and equipment

The valuations of property, plant and equipment stated in the previous annual financial statements have been brought forward without amendment.

A10 Material subsequent event

There were no material events subsequent to the end of the current financial year that have not been reflected in the financial statements for the current financial period up to 24 September 2009 except for the following:

- (i) Treasury shares

	No. of shares (' 000)	Weighted average price (RM)	Total (RM' 000)
Shares buy-back	<u>58</u>	<u>1.07</u>	<u>62</u>

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations.

A12 Contingent liabilities

The contingent liabilities of the Group as at 24 September 2009 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	1,525
Unsecured	<u>2</u>
	<u>1,527</u>

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of the performance of the company and its principal subsidiaries

The revenue and profit before tax ("PBT") of the Group for the first half of the financial year ending 31 January 2010 are RM79.143 million and RM14.844 million respectively, which represent a decrease of approximately 14.5% and 32.4% respectively as compared to the corresponding period in the last financial year.

The decrease in PBT is mainly due to lower sales of properties and concrete products. The concrete products margin is also squeezed mainly due to the materials cost fluctuations.

B2 Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

There is a marginal increase of RM1.578 million in the PBT of the second quarter of RM8.211 million as compared to the preceding quarter of RM6.633 million. The increase is mainly contributed by the higher sales in property development and construction operation.

B3 Prospects

The financial year 2010 is expected to be a challenging year in view of the recent uncertain global economic environment and credit crunch problems. Barring unforeseen circumstances, the Board expects the Group to remain profitable for the financial year ending 31 January 2010.

B4 Variance of actual profit from forecast profit and shortfall in profit guarantee

Not applicable.

B5 Tax

	CURRENT QUARTER 31.7.2009 RM' 000	CURRENT YEAR 31.7.2009 RM' 000
Current tax:		
Current year	1,942	3,665
Deferred tax:		
Current year	132	175
	<u>2,074</u>	<u>3,840</u>

The effective tax rates for the financial year-to-date are higher than the statutory rate principally due to certain expenses which are not deductible for tax purposes.

B6 Profits/(losses) on sale of unquoted investments and/or properties

There were no profit/(loss) on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial year-to-date.

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B7 Quoted securities

(a) Total purchase consideration, sale proceeds of quoted securities and profit/loss arising therefrom for the current quarter and financial year-to-date are as follows:-

	CURRENT QUARTER 31.7.2009 RM' 000	CURRENT YEAR 31.7.2009 RM' 000
Total purchase consideration	-	30
Total sale proceeds	451	451
Total profit / (loss) on disposal	125	125

(b) Total investments in quoted securities as at 31 July 2009:-

	RM' 000
(i) At cost	852
(ii) At carrying value/book value	339
(iii) At market value	398

B8 Status of corporate proposals

There were no corporate proposals announced but not completed as at 24 September 2009.

B9 Group borrowings and debt securities

Group borrowings as at 31 July 2009 were as follows:

	RM' 000
(a) Secured borrowings	102,106
Unsecured borrowings	39,964
	<u>142,070</u>
(b) Short term borrowings	
- Overdraft	148
- Revolving credit	1,000
- Term Loan	14,764
- Hire purchase	89
	<u>16,001</u>
Long term borrowings	
- Term loan	86,082
- Hire purchase	23
- ICULS - liability component	39,964
	<u>126,069</u>
	<u>142,070</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the current financial period ended 31 July 2009 is RM1,916,959.

B10 Financial instruments with off balance sheet risk

There were no financial instruments with off balance sheet risk as at 24 September 2009.

B11 Material litigation

As at 24 September 2009, there is no material litigation against the Group.

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B12 Dividend

- (a) The Board is pleased to declare an interim dividend for the financial year ending 31 January 2010 as follows:-
- (i) amount per share : 3.0 sen less tax 25%;
 - (ii) previous corresponding period : 3.0 sen tax exempt;
 - (iii) date payable will be announced at a later date; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be announced at a later date.
- (b) Total dividend for the current financial year : 3.0 sen less tax 25%.

B13 Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the current quarter and financial year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	CURRENT QUARTER 31.7.2009	CURRENT YEAR 31.7.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	5,731	10,264
Weighted average number of ordinary shares in issue ('000)	154,377	154,377
Basic earnings per share (Sen)	3.71	6.65

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from ICULS, warrants and share options granted to employees.

There is no calculation of diluted earnings per share for the current quarter and financial year as the ICULS, warrants and ESOS have an antidilutive effect on earnings per share.